

# HOUSE BILL REPORT

## ESSB 5002

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### As Passed House:

April 5, 2005

**Title:** An act relating to camping resort contracts.

**Brief Description:** Marketing, offering, or selling camping resort contracts.

**Sponsors:** By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Regala, Swecker, Hargrove, Brandland, Doumit and Shin).

### Brief History:

#### Committee Activity:

Commerce & Labor: 3/17/05, 3/28/05 [DP].

#### Floor Activity:

Passed House: 4/5/05, 94-0.

### Brief Summary of Engrossed Substitute Bill

- Creates a requirement that camping resort contracts can only be marketed, offered, or sold in this state, or to a resident of this state, if the contract is registered with the Department of Licensing.
- Exempts private party sales from registration requirements.

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## HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Sump, Assistant Ranking Minority Member; Hudgins and McCoy.

**Staff:** Rebekah Ward (786-7106).

### Background:

A camping resort contract is an agreement evidencing a purchaser's title to, estate or interest in, or right to use for more than 30 days the campground of a campsite. In order to offer or sell a camping resort contract in Washington, the contract must be registered with the Department of Licensing (Department). There are 12 camp resort companies currently registered in Washington, and 94 registered salespeople.

In order to be licensed, camp resort companies or sales persons must pay a fee, and meet certain requirements such as providing written disclosures, financial statements, and non disturbance agreements for the contracts that are sold to consumers. There is no exam for

registration, and renewals are good for one year. In some circumstances, the number of properties one sells will increase the required fees.

There are also some exceptions to the registration requirements. These exceptions for registration have been interpreted to include exempting out-of-state persons or businesses from registering their camping resort contracts, which often results in the contract being sold at a lower price. Additionally, the law does not require the resale of more than one camp resort contract to be registered, or the sale by a government or government agency. The Director of the Department is also authorized to exempt any person from the registration requirements in certain circumstances.

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**Summary of Bill:**

A camping resort contract can only be marketed, offered, or sold in this state, or to a resident of this state, if the contract is registered with the Department of Licensing (Department).

The sale of resale camp resort contracts requires that the contract be registered with the Department. However, the sale of up to three resale private party camping resort contracts are exempted from the registration requirements.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** There has been a concern with people out-of-state not registering their camping resort contracts in the State of Washington. This is a consumer protection issue. The sale of camping resort contracts is an especially important part of business in rural economies, so it is important that there is confidence in the business. By requiring registration with the Department, this end is accomplished, and there is little to no fiscal impact on the Department to do this.

**Testimony Against:** None.

**Persons Testifying:** Senator Regala, prime sponsor; and Trudy Touchette, Department of Licensing.

**Persons Signed In To Testify But Not Testifying:** None.